

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
GARRARD COUNTY WATER ASSOCIATION, INC.)	2015-00162

ORDER

On May 20, 2015, Garrard County Water Association, Inc. (“Garrard County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ The initial filing was found to be deficient. On May 29, 2015, Garrard County filed information that cured the deficiencies, and the application was accepted as filed as of that date.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Garrard County purchases water from the city of Lancaster (“Lancaster”), the city of Danville (“Danville”), and the city of Berea (“Berea”).
2. Lancaster notified Garrard County that effective June 3, 2015, Lancaster would increase its wholesale water rate to Garrard County from \$2.12 per 1,000 gallons to \$2.15 per 1,000 gallons.² Garrard County proposed to increase the water rates to its

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2015-00250 (Ky. PSC filed Apr. 20, 2015); The tariff was accepted for filing by the Commission by letter dated May 28, 2015.

customers, effective June 3, 2015, as requested by letter received on May 29, 2015,³ to reflect the increased cost of purchased water.

3. Garrard County proposed a purchased water adjustment factor of \$0.03 per 1,000 gallons.

4. During the 12 months ended April 30, 2015, Garrard County purchased 277,494,304 gallons of water from Lancaster, 82,738,226 gallons of water from Danville, and 24,850,356 gallons of water from Berea and sold 305,236,200 gallons. The increase in the cost of purchased water is \$8,324.83, resulting in a purchased water adjustment of \$0.03 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.03 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. The rates proposed by Garrard County, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for water service rendered on and after June 3, 2015.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.03 per 1,000 gallons is approved.

2. Garrard County's proposed rates are approved for water service rendered on and after June 3, 2015.

³ Letter from Sean Smith, General Manager, Garrard County Water Association, Inc., to Jeff Derouen, Executive Director, Public Service Commission, filed May 29, 2015.

3. Within 20 days of the date of this Order, Garrard County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

ENTERED
JUN 17 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00162 DATED **JUN 17 2015**

	New Rate	Base Rate
Garrard County		
Purchases in gallons		
Lancaster	277,494,304	277,494,304
Volumetric rate	<u>\$ 2.15/1,000</u>	<u>\$ 2.12/1,000</u>
	\$596,612.75	\$588,287.92

Increased water cost \$8,324.83

Increased water cost \$ 8,324.83
Divided by gallons sold/1,000 305,236,200
Purchased water adjustment factor \$ 0.02727 per 1,000 gallons
or \$ 0.03 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00162 DATED **JUN 17 2015**

The following rates and charges are prescribed for the customers in the area served by Garrard County Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 x 3/4-Inch Meter

First	1,000 gallons	\$10.56 Minimum Bill
Next	1,000 gallons	5.66 per 1,000 gallons
Next	1,000 gallons	4.56 per 1,000 gallons
Next	2,000 gallons	4.36 per 1,000 gallons
Over	5,000 gallons	4.06 per 1,000 gallons

1-Inch Meter

First	5,000 gallons	\$29.50 Minimum Bill
Over	5,000 gallons	4.06 per 1,000 gallons

1 1/2-Inch Meter

First	10,000 gallons	\$49.80 Minimum Bill
Over	10,000 gallons	4.06 per 1,000 gallons

2-Inch Meter

First	25,000 gallons	\$110.25 Minimum Bill
Over	25,000 gallons	4.06 per 1,000 gallons

*Garrard County Water Association, Inc.
315 Lexington Road
P. O. Box 670
Lancaster, KY 40444

*Sean Smith
General Manager
Garrard County Water Association, Inc.
P. O. Box 670
Lancaster, KY 40444